

Message Text

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ACTION EUR-12

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3093

C O N F I D E N T I A L LONDON 11238

DEPARTMENT PASS SEC FOR COMMISSIONERS IRVING POLLACK AND
SPORKIN

E.O. 11652:N/A

TAGS: EFIN/UK

SUBJECT: IOS; INTERNATIONAL LIFE INSURANCE LTD.

REF: (A) STATE 152229, AUGUST 2, 1973; (B) LONDON 4340,
APRIL 5, 1974

1. EDWARD DUCANN CALLED ON FINANCIAL ATTACHE TO SPECIFICALLY REQUEST ADVICE FROM SECURITIES AND EXCHANGE COMMISSION IN MAKING A DETERMINATION ON PAYMENT OF POUNDS 1.7 MILLION HELD IN ESCROW RESULTING FROM KAYSER-ULLMAN/DUCANN PURCHASE OF INTERNATIONAL LIFE INSURANCE CO., SINCE RENAMED CANNON INSURANCE. DUCANN REVIEWED HISTORY OF THE PAYMENT PLACED IN ESCROW WHICH, INCLUDING INTEREST, IS NOW WORTH OVER POUNDS 2 MILLION (SEE REFTELS FOR BACKGROUND). HE CITED EARLIER REQUEST FROM COMMISSIONER POLLACK NOT TO MAKE PAYMENT DIRECTLY TO VALUE CAPITAL (REF A). HE NOTED THAT A RECEIVER HAS NOW BEEN ESTABLISHED FOR IOS IN CANADA AND FOR VALUE CAPITAL IN THE BAHAMAS. DUCANN VERY MUCH WANTS TO MAKE FINAL PAYMENT AND RELIEVE HIMSELF AND CANNON OF ANY OUTSTANDING UNCERTAINTY AND OBLIGATIONS. HE FEELS THIS IS NECESSARY IN ORDER THAT HE CAN BEGIN TO MAKE MAJOR STRUCTURAL CHANGES AND DEVELOPMENT PLANS FOR CANNON.

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2. HE SPECIFICALLY REQUESTS THE SEC'S ADVICE ON WHERE

AND TO WHOM PAYMENT SHOULD BE MADE; I.E., EITHER THE LIQUIDATOR IN CANADA, THE LIQUIDATOR IN THE BAHAMAS, OR IF SEC WISHES TO JOHN SCHEMMER IN NEW YORK. AS DUCANN SEES IT, THE MAJOR POINT IS THAT THE BAD GUYS DON'T GET THE FUNDS AND THAT THE GOOD GUYS DO. IF THE SEC HAS NO OPINION OR PREFERENCE ON WHERE PAYMENT SHOULD BE MADE, DUCANN WOULD BE PLEASED FOR THIS INFORMATION.

3. PREVIOUS MESSAGES HAVE POINTED OUT DUCANN'S INFLUENTIAL POSITION IN THE CONSERVATIVE PARTY AND AS A MEMBER OF PARLIAMENT. PLEASE ADVISE AS SOON AS POSSIBLE REPLY TO BE GIVEN TO DUCANN.

4. FIGURES IN PARA ONE ARE ONE POINT SEVEN MILLION POUNDS AND TWO MILLION POUNDS.

RICHARDSON

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Message Attributes

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